

# 8 CAL GRANT PROGRAM PAYMENTS

**T**he confirmation and verification of Cal Grant payment eligibility to students and the accurate reporting of that eligibility by schools to the Commission is an important step in the Cal Grant payment process. Accurate and on-time reporting of payment ensures that schools are delivered sufficient funds to pay their Cal Grant students.

## 8.1 Confirming Cal Grant Eligibility Overview

Before releasing Cal Grant payments to students, schools must confirm that students meet the following eligibility criteria before students can receive their Cal Grant award.

**Citizenship-** Cal Grant recipients must meet the same federal citizenship guidelines used to determine federal Title IV eligibility. The federal citizenship guidelines can be found on the Free Application for Federal Student Aid (FAFSA) Web site at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

**Residency-** Cal Grant recipients must be legal California residents as determined by the school. Refer to Chapter 3, “Program Description and Eligibility” for more information regarding California residency requirements.

**Loan Default or Grant Repayment-** Cal Grant recipients cannot be in default on a student loan or owe a repayment on a state or federal financial aid grant. Schools must verify that students are not in default. Previously defaulted Cal Grant recipients who have re-established eligibility in the Family Federal Educational Loan (FFEL) or the Federal Direct Student Loan (FDSL) programs are eligible to receive Cal Grant payment.

**Enrolled at least Half-time-** In order to receive a Cal Grant payment, students must be enrolled at

least half-time. Attendance status is determined by the school.

**Undergraduates-** Cal Grant A, B, and C recipients must be undergraduates. Except for those continuing Cal Grant A and B recipients who have received their bachelor’s degree and are now working on a California K-12 teaching credential.

**Financial Eligibility-** The Commission uses two formulas to determine financial need for Cal Grant participants. These two formulas are used to determine which new students will enter the program and which renewal students will remain in the program.

### New Recipients

Eligibility for new recipients is initially determined by the Commission using the following formula:

$$\text{COA} - \text{EFC} - \text{Veteran's benefits} = \text{New Cal Grant need}$$

*(Cost of Attendance minus Expected Family Contribution minus Veteran’s benefits = New Cal Grant need)*

This formula is used to select new participants into the program. This formula does not take into account other financial aid the student is receiving. It is possible that a student can be selected into the program using this formula based on FAFSA information, but not have any payment eligibility due to other aid received. This student may remain in the program but will not be paid.

### Renewal Recipients

Schools must calculate and report renewal recipients’ Cal Grant need. To remain in the program, renewal Cal Grant recipients must

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have a financial need of \$100 or more using the following formula:

$$\text{COA} - \text{EFC} - \text{PELL} = \text{Cal Grant need}$$

*(Cost of Attendance minus Expected Family Contribution minus Pell Grant equals Cal Grant need)*

This formula is used to determine which students will remain in the program. It is possible that a student can remain in the program based on the renewal need formula but not have any payment eligibility. Schools must consider other sources of financial aid the student is receiving.

Students who have enough need using the renewal formula, but not enough need when other aid is considered, will remain in the program but will not be paid.

Schools must report the maximum annual need amount for renewal students even if the student may only be attending the school for one term.

Schools may use the Commission's annually established Student Expense Budgets to confirm the financial need of renewal applicants or may use their own student expense budgets to determine renewal eligibility.

Cal Grant C renewal participants are automatically renewed and no reported financial need is required.

### Verifying Eligibility for New Cal Grant Recipients

The Commission initially selects financially eligible Cal Grant applicants based on the information reported on the student's FAFSA. To be eligible for a Cal Grant A or C, new recipients who attend a public college must have a minimum financial need of the maximum annual award amount for their segment plus \$1,500. To be eligible for a Cal Grant B new recipients who

attend a public college must have a minimum financial need of \$700.

**CSU, UC examples:** For the 2005-06 academic year, recipients awarded at the CSU had to have a minimum financial need of \$2,520 plus \$1,500, or \$4,020. Recipients awarded at the UC had to have a minimum financial need of \$6,141 plus \$1,500, or \$7,641.

Recipients who are awarded at a private or independent college must have a minimum financial need of the Cal Grant annual maximum tuition amount for the program of study plus \$1,500, or the maximum annual segmental award amount, plus \$1,500, whichever is less. To be eligible for a Cal Grant B new recipients must have a minimum financial need of \$700.

### Cal Grant Award Minimum Financial Need

*New Cal Grant A recipients -*

Maximum annual award amount + \$1,500

*New Cal Grant B recipients -* \$700

*Renewal Cal Grant A & B recipients -* \$100

### Verifying New Transfer Entitlement (E2) Recipients

In order to receive a Transfer Entitlement award, an applicant must:

- have graduated from a California high school after June 30, 2000, or have received the equivalency of a high school graduation within the specified time frame; *High school equivalency* means students who successfully pass the General Educational Development Test (GED) or pass the California High School Proficiency Examination any time after June 30, 2000;
- be a California resident at the time they graduated from high school;
- have attended a California Community College prior to transferring to a qualifying four-year college;

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- have a verified community college grade point average (GPA) of at least 2.40. If the student's verified GPA did not include the high school graduation date, the student's date of birth is used as a proxy for the graduation date;
- be under 24 years old as of December 31 of the award year;
- meet all basic eligibility requirements;
- apply by March 2.

To receive payment (including a discretionary summer term payment) students must:

- attend a qualifying four-year college during the award year; *and*
- have a verified high school graduation date after June 30, 2000;
- be a California resident at the time they graduated from high school.

All students whose date of birth was used as a proxy for the graduation date will be identified on the payment Roster with a special identifier (asterisk) and payment transactions will not be accepted until the high school graduation has been confirmed.

Students selected into this program who cannot activate the award at a qualifying four-year college during the award year will have their award offer withdrawn.

**“On Hold” flag-** Schools are notified through WebGrants that verification of a student's graduation date is required through a Transfer Entitlement “On Hold” flag that appears next to the program code on the payment screen.

Transfer Entitlement applicants who are not selected as recipients receive notification which explains the reason(s) they were not awarded. The notification states the disqualifying reason(s), and includes an *Entitlement Non-Recipient Fact Sheet* and an *Application Correction Form* (G-23).

Students can “self certify” their high school graduation date by contacting the Commission. Upon this certification, the Commission will remove the “On Hold” flag. However, if schools have conflicting information regarding the student's graduation date, schools must notify the Commission through the *Grant Record Change Form for Schools* (G-21) or on the “Grant Record Change” screen on WebGrants.

### Verifying Renewal Cal Grant Recipients

In order for recipients to renew their Cal Grant award at a semester or trimester term school, recipients must have at least one payment period satisfied through a payment or a leave of absence. For recipients to renew their Cal Grant award at a quarter payment term school, recipients must have at least two quarters satisfied by a payment or a leave of absence. Summer terms are not considered a term in this process.

Recipients who have not had their award renewed due to a missing term payment from prior year will appear on the “Unable to Determine Renewal Eligibility Report” as explained in “Chapter 7, Program Administration.”

**Change of Financial Need -** If schools become aware of any change to a new or renewal recipient's financial need, and the change affects Cal Grant eligibility, the change must be reported to the Commission by completing a *Grant Record Change Form for Schools* (G-21) or through the “Grant Record Changes” screen on WebGrants

The Commission will recalculate the student's eligibility based on the new information and will notify the student of their eligibility or ineligibility.

### Verifying Attendance Status

A recipient's attendance status must be verified prior to making a Cal Grant payment and must be determined at the time it is reported to the Commission. Students must be enrolled at least half-time to receive payment.

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When reporting payments for a term that has ended, schools must base the attendance on the number of units completed for the term.

- If a recipient registers but never attends class, the Commission will not pay tuition/fee payments and schools should not report the tuition/fee payment.
- If a recipient registers but never attends class and a payment has already been reported, schools should report an adjusted payment to correct the previously reported payment.
- If a recipient registers who receives Access or books and supplies funds and never attends classes it must be reported to the Commission as owing a payment.

Recipients who enroll and attend classes, but then withdraw or drop to less than half-time before receiving payment of Access or books and supplies may still receive this award based on the amount of educational expenses incurred up to the date of their withdrawal or ineligibility. However, if a school's refund policy requires the return of funds, the funds must be returned to the Commission.

### Graduating Seniors

Seniors who are on their final term of a baccalaureate degree program and are attending less than half-time and still have remaining eligibility can be paid their full tuition charges up to the term maximum. No access will be paid.

For the tuition/fees payment adjustment, schools should use the adjustment reason code of "SR" for graduating seniors.

Cal Grant B Access would be prorated as usual based on the graduating senior's actual attendance status.

Report the Access payment adjustment reason code as follows:

- "ST" for graduating senior,  $\frac{3}{4}$  time, or
- "SH" for graduating senior,  $\frac{1}{2}$  time, or
- "SL" for graduating senior, less than half-

time and must be posted with a zero dollar amount

### Verifying Program Eligibility

Payment of Cal Grant program benefits is limited to students enrolled as regular students in an eligible program. A regular student is a student who is enrolled in an eligible institution for the purpose of obtaining a degree or certificate offered by the school.

Students ineligible for Cal Grant payment are those student's taking courses before being officially admitted to a program, as well as students enrolled in secondary school (high school) diploma programs or in programs designed to help a student pass the GED.

College extension coursework cannot be paid a Cal Grant award.

At the time of payment, a school certifies that recipients are enrolled in an eligible program (course of study). This is determined by the degree objective of the recipient.

*For example:*

- Cal Grant A awards are paid only to recipients enrolled in an associate or baccalaureate degree programs.
- Cal Grant B awards are paid to recipients enrolled in certificate, associate or baccalaureate degree programs.
- Cal Grant C awards are paid only to recipients enrolled in vocational certificate or associate degree programs.

Documentation verifying that a recipient is enrolled in an eligible program is based on school documentation such as a recipient's lesson plan or formal declaration of their major.

Cal Grant C recipients may receive payment for classes that are outside their primary program if the school can certify that the recipient is in a vocational program. A recipient's signed lesson plan or a formal declaration of their major certifies that they are enrolled in a vocational program.

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### Verifying Satisfactory Academic Progress

Schools must verify that the Satisfactory Academic Progress standards as established by their schools are met. Recipients who do not meet these standards are ineligible for Cal Grant payment and will not use eligibility during the terms they are ineligible for payment.

Refer to “Chapter 6, Renewal of Cal Grant Awards” for more information regarding Satisfactory Academic Progress.

### Mandatory Five Year Program – Fifth Year Extension Cal Grant Recipients

Schools must verify that the mandatory five-year undergraduate program requirements as described in “Chapter 3, Program Descriptions and Eligibility” are met.

### Teaching Credential Program (TCP) – Fifth Year Extension Cal Grant Recipients

Schools must verify that the Teaching Credential Program extension requirements described in “Chapter 3, Program Descriptions and Eligibility” are met.

The Commission recommends that schools verify the EL for new recipients prior to making the fall payment.

In cases where a student’s first payment is postponed, only the school where the student first receives Cal Grant payment can report the EL (i.e., the student is in Community College reserve and takes a leave of absence or periods of military deferment). If a situation occurs when a student has transferred and the EL has not been verified, schools must complete a *School Record Change Form* (G-21) or complete the Grant Record Changes Screen on WebGrants.

#### *EL Verification is not required:*

- If a student indicates on their FAFSA that they have never attended college
- for students attending a community college

#### *EL Verification is required:*

- If a student indicates on their FAFSA that they have attended a college.

Any student disagreeing with their initial EL will be referred to the school where they first received Cal Grant payment, even if that school was a community college.

## 8.2 Educational Level (EL) Verification Overview

To ensure that new Cal Grant A and B recipients receive the correct amount of initial program eligibility, schools must verify that Commission records reflect the recipient’s correct educational level (EL) for the term in which the initial Cal Grant payment was made.

The actual number of years a student is entitled to receive Cal Grant payments is calculated based on the student’s EL in the first term for which a Cal Grant award is paid. As a result, the EL designated by the eligible student’s school corresponds to the student’s EL for the term for which the student’s first Cal Grant payment was paid, i.e., the term to which the Cal Grant payment is applied.

### Online Verification

Schools may verify a recipient’s EL through the WebGrants Display Roster (Online Roster) screen. Transactions are processed weekly and will appear on the next online Roster. Results will also appear on an EL Verification Accept/Reject report available through the WebGrants “Data Transfer Report Download” screen.

### Data Transfer

Schools may download the EL Verification Roster through the “Data Transfer Report Download” screen on WebGrants. New data files will be produced monthly during the Commission’s month-end process.



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Schools may also use the Data Transfer File Upload screen on WebGrants to return verification data to the Commission. The upload data file must include a header record, students' Social Security numbers, and the reported EL. Uploaded files will be processed during the Commission's weekly payment processing cycle. Results will appear on the online Roster and on a new EL Verification Accept/Reject report available through the WebGrants Data Transfer Report Download screen.

### Microsoft Excel Template

Schools may download the EL Verification Roster through the Data Transfer Report Download screen on WebGrants. Open the data file using the Excel template, key the EL for each student, and then upload the file through WebGrants. This template is located in the WebGrants Tools Menu.

## 8.3 Reporting Payments to the Commission

### Cal Grant Roster

Schools report payment transactions to the Commission by posting transactions on the Cal Grant Roster available on WebGrants.

For a listing and description of the data elements on the Roster for recipients, refer to the Cal Grant Record Layout available in the Help Center on WebGrants.

### Roster Availability

The Commission begins creating academic year specific Cal Grant Rosters during January preceding each award year. The following table illustrates when recipients are added to the Roster.

Each year, Cal Grant funding is subject to state budget appropriations. For this reason the Roster is available only for viewing and posting school changes. The Roster is *not* available for reporting payment transactions. Payments can be made after the final state budget is passed but never before the beginning of August.

### Weekly Processing

The Roster is updated throughout the award year on a weekly basis as information is reported to the Commission by students and schools.

## Roster Cycle

### Type of Recipient

New A & B Entitlement Recipients

New Competitive A & B Recipients  
for March 2<sup>nd</sup> award cycle

New Cal Grant C Recipients

Renewal A, B, & C Recipients

New Competitive A & B Recipients  
for September 2<sup>nd</sup> award cycle

### When added to Roster

-As soon as students are awarded and throughout the award year as corrections are processed (no earlier than the January preceding the award year).

-Approximately early April\*

-Approximately early June to early August\*

-Approximately early July\*

-Approximately early to mid-October\*

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\* The actual dates depend on Commission processing cycles and the signing of the year's state budget. *Operations Memos* are sent to schools announcing the actual dates.

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Reported transactions are either accepted or rejected through the weekly processing cycle and are reflected on the weekly *Accept/Reject Report*. Accepted transactions appear on the school's Roster beginning the first day following the weekly processing cycle (usually the following Monday).

Rejected transactions will appear on the school's *Accept/Reject Report* with a description of why the transaction rejected. Schools should review and correct these rejected transactions.

### Updating the Roster

The following actions (if applicable) must be reported to the Commission on the Roster before final reconciliation of the award year:

- school changes
- renewal recipient's financial need
- adjustments to the renewal recipient's financial need
- maximum term award payments to recipients
- adjusted term award payments to recipients

### Payment Reporting Deadlines

Schools should report on their most current Roster each term's payment transactions prior to the end of the term. Timely reporting of transactions guarantees timely advancement of funds and prevents fund offsets.

Processing of payment roster transactions occurs bi-monthly on WebGrants. Any WebGrants transactions made prior to the start of processing will be included on the next Roster.

The deadline to make payment to recipients is September 30 of the academic year following the award year. For example, for the 2005-06 academic year this would be September 30, 2006. The Commission expects payments by schools by September 30 but realizes that there may be some exceptions. Schools should

contact the Commission's Cal Grant Operations Branch for resolution to problem transactions.

### School Changes

When students are first awarded, their record will appear only on the Roster of the first California school listed on the FAFSA which was used to determine their eligibility. Renewal recipients transferring from another school will not appear on the Roster until a school change is submitted.

If a recipient will be attending a school, but they are not listed on the school's Roster, a school change must be entered either before, or at the same time as a request for payment.

Once the school has requested the school change, the Commission will verify the recipient's eligibility at the new school and calculate the recipient's maximum annual award amount. If the Commission determines that the recipient is eligible at the new school, the recipient and the recipient's award information will be added to the new school's Roster. Schools may only request school changes for their school.

**School Changes and EL Verification with Payments** – Reporting school changes and/or EL Verification transactions along with a payment transaction, may commit a student to a different grant that may not be the most beneficial for the student. Questions regarding such transactions can be forwarded to the Cal Grant Operations Branch for resolution.

## 8.4 Reporting Need

### Overview

The amount printed on the Roster under each term (FL [fall], WN [winter], SP [spring], or SU [summer]) is the amount the Commission expects

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the school to disburse, unless it is determined by the school that an adjustment is necessary.

Schools must review the total term award payment amount listed for the term to be paid. If the recipient is eligible for the total term payment as listed on the Roster, no payment adjustment is necessary.

**Renewal Recipient's Financial Need** - A need amount must be reported for all renewal recipients before payments are reported—except for Cal Grant C renewals. The need amount must be reflected as full-time for the student's full year of attendance.

### School Entered Payment Status Codes

The status of a recipient's payment is indicated on the Roster in the "Pay Stat" field of the recipient's record. Schools may use one of the following three codes in the Pay Stat field depending on the transactions being reported:

**1. SC – School Change**

Requesting a school change only. Requesting a school change and reporting a renewal recipient's unmet need.

**2. PD – Paid** Reporting a maximum term payment amount only. Requesting a school change for a new recipient and reporting a maximum term payment at the same time. Requesting a school change for a renewal recipient and reporting a maximum term payment and reporting the renewal recipient's unmet need at the same time.

**3. UN\* – Unmet Need** Reporting a renewal recipient's unmet need only. The "UN" code will automatically be entered into the Pay Stat Code field when a need is reported.

### Not in Attendance (NA) and Yes in Attendance (YA) Codes

Schools can remove students from the eligible section of the Roster by entering the "NA" (Not in Attendance) code in the Pay Stat Code field. This will "hide" the student's record in the "Not in Attendance" Section 5 of the Roster and generate a letter to a student to request the name of the school in attendance.

If a student was placed in the "Not in Attendance" section of the Roster and a school wants to recall them to the eligible section, the school can locate the student by entering their SSN or CSAC ID in the top search field on the school's Roster and then entering the "YA" (Yes in Attendance) code in the Pay Stat Code field.



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### 8.5 GRANT ROSTER ADJUSTMENT REASON CODES

Following is a list of adjustment reason codes used by the Commission.

#### **CODE FT**

**DEFINITION** Recipient is attending full-time and payment is being increased to reflect full-time status.

**COMMISSION ACTION/RESULT** The Commission will pay the adjusted amount reported in the term adjustment field, but will not pay more than the recipient's maximum eligible amount for the term. Recipient uses full eligibility for the term.

**NOTE:** This adjustment reason code is necessary only when a recipient's payment is adjusted up to the full-time amount. It is not necessary to use this code when there is no change to a recipient's full-time status.

#### **CODE TT**

**DEFINITION** Recipient is attending three quarter-time, and payment is being adjusted (increased or decreased) to reflect three-quarter-time status.

**COMMISSION ACTION/RESULT** The Commission will pay the adjusted amount reported in the term adjustment field but will not pay more than a prorated three-quarter-time amount when applicable, based on the payment prorating requirements for the school. The recipient uses three quarters of the full eligibility for the term.

#### **CODE HT**

**DEFINITION** Recipient is attending half-time and payment is being adjusted (increased or decreased) to reflect half-time status.

**COMMISSION ACTION/RESULT** The Commission will pay the adjusted amount reported in the term adjustment field but will not

pay more than a prorated half-time amount when applicable, based on the payment prorating requirements for the school. The recipient uses half of the full eligibility for the term.

#### **CODE AF**

**DEFINITION** School makes a miscellaneous adjustment to a recipient's term payment, and the recipient is attending full-time. This code should only be used if a more specific code does not apply. The amount reported must be greater than 0.

**COMMISSION ACTION/RESULT** The Commission will pay the adjusted amount reported in the term adjustment field which can be more or less than the term amount displayed on the Grant Roster, but no more than the maximum for which the recipient is eligible. The recipient will use full eligibility for the term.

#### **CODE AT**

**DEFINITION** School makes a miscellaneous adjustment to a recipient's term payment, and the recipient is attending three-quarter-time. This code should only be used if a more specific code does not apply. The amount reported must be greater than 0.

**COMMISSION ACTION/RESULT** The Commission will pay the adjusted amount reported in the term adjustment field, which can be more or less than the term amount displayed on the Grant Roster, but no more than the maximum for which the recipient is eligible. The recipient will use three quarters of the full eligibility for the term.

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### 8.5 GRANT ROSTER ADJUSTMENT REASON CODES- *continued*

#### **CODE AH**

School makes a miscellaneous adjustment to a recipient's term payment, and the recipient is attending half-time. This code should only be used if a more specific code does not apply. The amount reported must be greater than 0. The Commission will pay the adjusted amount reported in the term adjustment field, which can be more or less than what is displayed on the roster, but no more than the maximum for which the recipient is eligible. The recipient will use half of the full eligibility for the term.

#### **CODE OF**

**DEFINITION** (Tuition/Fees only) Recipient is receiving tuition/fee assistance from an outside source, and the recipient is attending full-time. Partial charges or \$0 charges, depending on the amount of other assistance, should be entered in the term adjustment field on the Grant Roster.

**COMMISSION ACTION/RESULT** The Commission will pay the amount reported in the term adjustment field whether partial charges or \$0 are entered, but will not pay more than the maximum for which the recipient is eligible. Recipients for whom the school reports \$0 payment for the term will not be withdrawn from their program regardless of whether they have a Cal Grant A, B, or C or Graduate Fellowship. The recipient will use full eligibility for the term. *Note:* Dollar amount greater than \$0 will use eligibility.

#### **CODE OT**

**DEFINITION** (Tuition/Fees only) Recipient is receiving tuition/fee assistance from an outside source, and the recipient is attending three-quarter-time. Partial charges or \$0 charges, depending on the amount of other assistance, should be entered in the term adjustment field on the Grant Roster.

#### **COMMISSION ACTION/RESULT**

The Commission will pay the amount reported in the term adjustment field whether partial charges or \$0 are entered, but will not pay more than the maximum for which the recipient is eligible. Recipients for whom the school reports \$0 payment for the term will not be withdrawn from their program regardless of whether they have a Cal Grant A, B, or C or Graduate Fellowship. The recipient will use three quarters of the full eligibility for the term. *Note:* Dollar amount greater than \$0 will use eligibility.

#### **CODE OH**

**DEFINITION** (Tuition/Fees only) Recipient is receiving tuition/fee assistance from an outside source, and the recipient is attending half-time. Partial charges or \$0 charges, depending on the amount of other assistance, should be entered in the term adjustment field on the Grant Roster.

#### **COMMISSION ACTION/RESULT**

The Commission will pay the amount reported in the term adjustment field whether partial charges or \$0 are entered, but will not pay more than the maximum for which the recipient is eligible. Recipients for whom the school reports \$0 payment for the term will not be withdrawn from their program regardless of whether they have a Cal Grant A, B, or C or Graduate Fellowship. The recipient will use half of the full eligibility for the term. *Note:* Dollar amount greater than \$0 will use eligibility.

#### **CODE RF**

**DEFINITION** The RF code indicates a renewal recipient has a revised need and is attending full-time. The school has made a revision to a renewal recipient's unmet financial need, and the current Grant Roster does not reflect the new need amount or the correct payment for the term(s). The school must enter a revised need

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### 8.5 GRANT ROSTER ADJUSTMENT REASON CODES- *continued*

amount in the Adjusted Need field on the Grant Roster and enter the adjusted term payment in the appropriate term adjustment fields for the individual award types (tuition/fees, subsistence, or book and supply). An adjusted annual need must be reported for renewal recipients when a revision to the need amount printed on the Grant Roster results in a change to the recipient's annual award amount, and therefore affects the term payments. This change can either result in a decrease or increase to the recipient's annual award. Note: Revisions to new recipients' need amounts must be reported on the Grant Record Change Form for Schools (G-21) and cannot be reported on the Grant Roster.

**COMMISSION ACTION/RESULT** The Commission will recalculate the recipient's annual award based on the adjusted need amount entered. The Commission will pay the amount entered in the term adjustment field(s), but no more than the maximum for which the recipient is eligible. If the recipient's payment should be \$0, the school must enter \$0 in the term adjustment field. The recipient will use full eligibility for the term. Subsequent Grant Rosters will reflect an updated annual award, the updated need amount, and updated term payments.

**CODE RT**  
**DEFINITION** The RT code indicates a renewal recipient has a revised need and is attending three-quarter-time. The school has made a revision to a renewal recipient's unmet financial need, and the current Grant Roster does not reflect the new need amount or the correct payment for the term(s). The school must enter a revised need amount in the Adjusted Need field on the Grant Roster and enter the adjusted term payment in the appropriate term adjustment fields for the individual award types (tuition/fees, subsistence, or book and supply). An adjusted annual need must be reported for renewal recipients when a revision to the need amount

printed on the Grant Roster results in a change to the recipient's annual award amount, and therefore affects the term payments. This change can either result in a decrease or increase to the recipient's annual award.

**NOTE:** Revisions to new recipient's need amounts must be reported on the Grant Record Change Form for Schools (G-21) and cannot be reported on the Grant Roster.

**COMMISSION ACTION/RESULT** The Commission will recalculate the recipient's annual award based on the adjusted need amount entered. The Commission will pay the amount entered in the term adjustment field(s), but no more than the maximum for which the recipient is eligible. If the recipient's payment should be \$0, the school must enter \$0 in the term adjustment field. The recipient will use three quarters of the full eligibility for the term. Subsequent Grant Rosters will reflect an updated annual award, the updated need amount, and updated term payments.

**CODE RH**  
**DEFINITION** The RH code indicates a renewal recipient has a revised need and is attending half-time. The school has made a revision to a renewal recipient's unmet financial need and the current Grant Roster does not reflect the new need amount or the correct payment for the term(s). The school must enter a revised need amount in the Adjusted Need field on the Grant Roster and enter the adjusted term payment in the appropriate term adjustment fields for the individual award types (tuition/fees, subsistence, or book and supplies). An adjusted annual need must be reported for renewal recipients when a revision to the need amount printed on the Grant Roster results in a change to the recipient's annual award amount, and therefore affects the term payments. This change can either result in

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### 8.5 GRANT ROSTER ADJUSTMENT REASON CODES, *continued*

a decrease or increase to the recipient's annual award.

**Note:** Revisions to new recipient's need amounts must be reported on the Grant Record Change Form for Schools (G-21) and cannot be reported on the Grant Roster.

**COMMISSION ACTION/RESULT** The Commission will recalculate the recipient's annual award based on the adjusted need amount entered. The Commission will pay the amount entered in the term adjustment field(s), but no more than the maximum for which the recipient is eligible. If the recipient's payment should be \$0, the school must enter \$0 in the term adjustment field. The recipient will use half of the full eligibility for the term. Subsequent Grant Rosters will reflect an updated annual award, the updated need amount, and updated term payments.

#### **CODE LA**

**DEFINITION** Recipient is taking a leave of absence from the Cal Grant. The school must enter a \$0 amount in the term adjustment field. The school should not use the LA code when a payment greater than \$0 is reported for a term.

**COMMISSION ACTION/RESULT** The Commission will place the recipient in a leave status for the term. The recipient will not use any eligibility for the term. The subsequent updated Grant Roster will reflect a \$0 term payment and a LA code in the Pay Status field. NOTE: Payments reported by any school for a term for which one school has reported a leave of absence will override the recipient's leave status for the term.

#### **CODE NP**

**DEFINITION** Recipient is not making satisfactory academic progress. The school must enter a \$0 amount in the term adjustment field.

**COMMISSION ACTION/RESULT** The Commission will place the recipient in an unsatisfactory progress status for the term, and the recipient will not use any eligibility for the term. The school must report a recipient's unsatisfactory progress for every term affected. The subsequent updated Grant Roster will reflect a \$0 term payment and an NP code in the Pay Status field. To clear a recipient's unsatisfactory progress status for a term, the school should report a payment adjustment for the term. Recipients who have an unsatisfactory progress status for consecutive terms beyond one academic year will be withdrawn from their program.

**Example:** A recipient who is reported as "NP" for both the fall and spring semesters must activate his or her award by re-establishing satisfactory progress during the subsequent term or the award will be withdrawn.

#### **CODE LD**

**DEFINITION** School is aware that the recipient is in default on an educational loan, and therefore, cannot disburse funds.

**COMMISSION ACTION/RESULT** Recipient's award will be withdrawn.

#### **CODE GR**

**DEFINITION** School is aware that the recipient owes a refund on a federal or state grant, and therefore, cannot disburse funds.

**COMMISSION ACTION/RESULT** Recipient's award will be withdrawn.

#### **CODE IA**

**DEFINITION** Ineligible course for Cal Grant A. Recipient is enrolled in an instructional program that is less than two academic years in length.

**COMMISSION ACTION/RESULT** Recipient's award will be withdrawn.

## Chapter 8 Cal Grant Program Payments

### 8.5 GRANT ROSTER ADJUSTMENT REASON CODES, *continued*

#### **CODE IB**

**DEFINITION** Ineligible course for Cal Grant B. Recipient is enrolled in an instructional program that is less than one academic year in length.

#### **CODE IC**

**DEFINITION** Ineligible course for Cal Grant C. Recipient is enrolled in an instructional program that is less than four months or greater than 24 months in length. Recipient is enrolled in a non-vocational course of study that does not qualify for the program. Recipient is taking all prerequisite courses that are not actually part of a technical/vocational program.

**COMMISSION ACTION/RESULT** Recipient's award will be withdrawn.

#### **CODE MV**

**DEFINITION** Unable to verify requirements for Cal Grant Fifth-Year benefits. Recipient is a graduate. Recipient is not enrolled in an undergraduate degree program that requires every participant more than four years to complete.

**COMMISSION ACTION/RESULT** Recipient's award will be withdrawn.

#### **CODE TV**

**DEFINITION** Unable to verify requirements for Cal Grant Teaching Credential benefits. Recipient is not enrolled in a teaching credential program approved by the California Commission on Teacher Credentialing. Recipient has already received an initial teaching credential. Recipient has not yet received a bachelor's degree.

**COMMISSION ACTION/RESULT** Recipient's award will be withdrawn.

#### **CODE IP**

**DEFINITION** Special code for Commission use only or for use by schools at the direction of a Cal Grant Operations analyst. For more

information, please call the Cal Grant Operations Branch at 1-888-294-0153.

#### **CODE SR**

**DEFINITION** (Tuition/Fees only) Recipient is a graduating senior enrolled less than full-time (three-quarter time, half-time or less than half-time). Actual tuition/fee charges, up to the maximum term award, should be entered in the term adjustment field.

**COMMISSION ACTION/RESULT** The Commission will pay up to the amount charged by the school, but no more than the maximum amount the recipient is eligible to receive, based on the recipient's remaining eligibility in the program. The recipient will be withdrawn from the program after payment is made.

#### **CODE ST**

**DEFINITION** (Access only) Recipient is a graduating senior enrolled three quarter-time. The Commission will pay the adjusted amount reported in the term adjustment field, but will not pay more than a prorated three-quarter-time amount. The recipient uses three quarters of the full eligibility for the term.

**COMMISSION ACTION/RESULT** The recipient will be withdrawn from the program after payment is made.

#### **CODE SH**

**DEFINITION** (Access only) Recipient is a graduating senior enrolled half-time.

**COMMISSION ACTION/RESULT** The Commission will pay the adjusted amount reported in the term adjustment field but will not pay more than a prorated half-time amount. The recipient uses half of the full eligibility for the term.

**COMMISSION ACTION/RESULT** The recipient will be withdrawn from the program after payment is made.



## Chapter 8 Cal Grant Program Payments

### 8.5 GRANT ROSTER ADJUSTMENT REASON CODES, *continued*

#### **CODE SL**

**DEFINITION** (Access only) Recipient is a graduating senior enrolled less than half-time. The Commission will not pay access for this recipient. The recipient will use eligibility for the term only if he or she is receiving payment for tuition/fees for the same term.

**COMMISSION ACTION/RESULT** The recipient will be withdrawn from the program after payment is made.

#### **CODE NS**

**DEFINITION** School originally reported a payment transaction for a recipient who ultimately is ineligible for payment. The school enters a \$0 payment in the term adjustment field.

**COMMISSION ACTION/RESULT** The Commission will pay \$0 for the recipient, and the recipient will not use any eligibility for the term.

#### **CODE PF**

**DEFINITION** School disburses payments to recipients more than once per term and the school is unable to disburse the entire term amount to a recipient. Recipient was verified as attending full-time.

**COMMISSION ACTION/RESULT** The Commission will pay the adjusted amount reported in the term adjustment field but will not pay more than the recipient's maximum eligible amount for the term. Recipient uses full eligibility for the term.

#### **CODE PT**

**DEFINITION** School disburses payments to recipients more than once per term, and the school is unable to disburse the entire term amount to a recipient. Recipient was verified as attending three-quarter-time.

**COMMISSION ACTION/RESULT** The Commission will pay the adjusted amount reported in the term adjustment field but will not pay more than the recipient's maximum eligible amount for the term. Recipient uses three quarters of the full eligibility for the term.

#### **CODE PH**

**DEFINITION** School disburses payments to recipients more than once per term, and the school is unable to disburse the entire term amount to a recipient. Recipient was verified as attending half-time.

**COMMISSION ACTION/RESULT** The Commission will pay the adjusted amount reported in the term adjustment field but will not pay more than the recipient's maximum eligible amount for the term. Recipient uses half of the full eligibility for the term.

## Chapter 8 Cal Grant Program Payments

### Commission-Generated Payment Status Codes

Code	Description
AP	Payment transaction has been accepted by the Commission and will be reconciled during the weekly processing cycle.
AA	The adjusted payment transaction has been accepted by the Commission and will be reconciled during the weekly processing cycle.
RP	The payment transaction has been processed and reconciled by the Commission during the bi-monthly processing cycle.
RA	The reported adjusted payment transaction has been processed and reconciled by the Commission during the bi-monthly processing cycle.
LA	Recipient's award is in a Leave of Absence status for the term.
NP	The school reported the recipient is not making Satisfactory Academic Progress for the term.*
WD	Recipient's award is withdrawn. After a student is withdrawn a WD will appear in the Pay Stat field for each term that can no longer be processed for payment. Any term payment amounts that appear with a WD should not be included in the school's reconciliation.

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\*Students will be withdrawn after three consecutive NP's from a semester term school and after four consecutive NP's from a quarter term school.

### 8.6 Leave of Absence

Students who postpone college or who will not be attending at least half-time during part of the school year must request a Cal Grant leave of absence. This policy is especially important for students who will be taking longer than four years to complete their program.

Students may leave their award on hold for up to one academic year, although exceptions may be granted through the Commission's appeal process.

**Active Duty Students-** Students who are on active duty in the U.S. Armed Forces may have their Cal Grant award deferred for up to three years by completing a *Deferment Request Form*, G-12, available at [www.csac.ca.gov](http://www.csac.ca.gov).

As long as students attend the minimum number of required terms each year, their grants will be eligible for renewal. Students attending semester term schools must attend at least one semester per year; those attending quarter term schools must attend at least two quarters per year.

Students whose schools report partial or full payment for a term in which they eventually request a leave of absence will have their eligibility for future benefits reduced accordingly.

**150% Leave Time Maximum-** Students will continue to have potential Cal Grant eligibility until they have exceeded a maximum 150% in leave time, excluding one "automatic" term per academic year. When the Commission has not received a payment transaction for any non-summer term, automatic leave is applied at the end of the academic year for up to one term.

## Chapter 8 Cal Grant Program Payments

### How Leave Time Accumulates

The following formula is used to calculate how total leave time accumulates toward the 150% term maximum:

### Leave Time Formula

**Total leave time = total leaves - one leave per year**

#### Quarter School = 33.33% Per Term

	<u>Fall</u>	<u>Winter</u>	<u>Spring</u>
2003-04	Paid	Paid	X
2004-05	LA	X	Paid
2005-06	Paid	Paid	X
2006-07	LA	LA	X
2007-08	Paid	Paid	Paid
2008-09	X	Paid	Paid
2009-10	Paid	Paid	X

#### Chart Legend

LA Requested leave of absence  
\$ Payment transaction  
X Automatic leave

#### Semester School = 50% Per Term

	<u>Fall</u>	<u>Spring</u>
2003-04	Paid	Paid
2004-05	LA	X
2005-06	Paid	X
2006-07	X	Paid
2007-08	Paid	Paid
2008-09	LA	X
2009-10	Paid	Paid

## 8.7 Summer Enrollment

For Cal Grant purposes, two categories of summer enrollment exist—mandatory and discretionary.

**Mandatory Summer Term-** Recipients who are enrolled in a program that *requires* summer-term attendance, in addition to all other terms, are in a mandatory summer program. Schools with mandatory summer terms are identified from information reported on the school's College Cost Estimate.

Rosters for mandatory summer term schools are arranged to automatically accept summer term payments reported by schools. Summer term payments are reported the same way as any other term.

**Discretionary Summer Term-** Students who are enrolled in a program that does not require summer term attendance, in addition to all other terms, may receive discretionary summer Cal Grant payments.

Schools can request discretionary summer payments for their students by notifying the Commission's Cal Grant Operations Branch with the following information:

1. Student(s) name
2. Student(s) CSAC ID number
3. Name of school of summer attendance

Send requests for summer payments to:

California Student Aid Commission  
Cal Grant Operations Branch  
- Summer Request  
P.O. Box 419028  
Rancho Cordova, CA 95741-9028

## Chapter 8 Cal Grant Program Payments

Students requesting discretionary summer term payment may complete the *Summer Payment Request Form for Students* (G-14) available on [www.csac.ca.gov](http://www.csac.ca.gov).

### Discretionary Summer Payment Cycle

Schools may request a summer payment to be paid on behalf of students any time during the academic year. With the school's authorization, the Commission can "obligate" a summer payment on a student's file. These payments can be seen on the WebGrants' "Student History" screen and all WebGrants reports.

While schools can request a summer payment prior to the term's start date, the payment will not reconcile until after the summer term advance is sent during the first week of June.

*For example*, if in early April a school requests a payment to be reported for the upcoming summer term, the Commission can report a payment on the date requested but the payment will remain in accepted status until the first reconciliation period after the summer term advance in June. The earliest schools will receive funding by using this method is after June mid-month reconciliation.

When students submit a request for a summer payment, the student's WebGrants file is modified so a summer term appears on the Roster. This allows the school to report a summer payment for the student as they would any other term.

After a summer payment is reported, the payment information will be processed and displayed on the next weekly Accept/Reject Report. Altering a student's file in this manner, however, cannot occur until after the Commission runs the Cal Grant renewal process for the next academic year. The renewal process occurs in early July (See Chapter 6, "Renewal of Cal Grant Awards").

Prior to modifying the student's file, a notification is sent to students explaining the process and requests them to take the letter to their Financial Aid Office in mid-to-late July to determine if they are eligible for payment. This letter is sent in late May to early June.

When reporting payments, schools should remember that:

- Summer is the last term (trailer) or payment period of the academic year in the Cal Grant program.
- First year Cal Grant A and B recipients are eligible for summer term payment beginning with the summer following their first year in the Cal Grant program.
- Students, who accept Cal Grant payments for attending a summer term, will reduce their remaining Cal Grant eligibility, and they may not have enough eligibility remaining to carry them through graduation.

### Cal Grant B Summer Tuition and Fees Payments

Cal Grant B recipients attending a summer term after their freshman year can receive summer term tuition and fee payments only for terms that begin July 1 or later.

### New Cal Grant C Summer Payment

New Cal Grant C recipients receiving payment for a summer term preceding their first year in the program are paid through a different process. Schools may send a list of summer term students to the Commission's Cal Grant Operations Branch. Students may complete the Summer Payment Request Form for Students (G-14) available on [www.csac.ca.gov](http://www.csac.ca.gov).

Upon receipt of these requests, the Commission will prepare a manual claim form and send it to schools for completion. Schools must then complete and return the claim form to the Commission, with the student's enrollment status and requested payment amount. The Commission will then authorize funding the summer term.

## Chapter 8 Cal Grant Program Payments

### Delivery of Funds

The earliest schools will receive funding for a summer term is as follows:

#### Mandatory summer schools:

- The summer term advance is sent the first week of June. If a school requires more funding, for any term of the academic year, funds are sent approximately every two weeks until the end of December.

#### Discretionary summer schools:

- **Student requested** – Assuming a payment is reported on WebGrants in July, the school will receive funding the first week of August.
- **School requested** - Discretionary summer schools requesting summer payments on the student's behalf will receive funding beginning with the June mid-month reconciliation cycle.

## 8.8 Revising Payments

### Adjustments to Renewal Recipient's Financial Need

An adjusted need amount must only be reported for renewal recipients when a revision to the need amount previously reported on the Roster will result in an increase or decrease in the recipient's annual award. All changes should be reported immediately but must be reported no later than September 30 of the following academic year.

For new recipients, changes such as income, assets, or housing status that reduces a student's need amount, must be reported on the WebGrants Grant Record Changes screen or on the *Grant Record Change Form for Schools* (G-21). Students whose need is reduced below the minimum need required to retain the award must be reported to the Commission and will be withdrawn from the Cal Grant program.

**Outside Aid-** If students receive "outside aid" such as scholarships or employee tuition assistance that is not renewable (does not carry

over to the next school year), it is not necessary to adjust the student's need.

Students whose new Cal Grant awards are reduced due to the receipt of outside aid should be reported on the Roster for each term with a reason code of OF (outside, full time), OT (outside, three-quarter-time) or OH (outside, half time) and the appropriate term-adjusted amount.

Students who are not eligible to receive their Cal Grant award due to the receipt of outside aid should be reported on the Roster for each term with the reason code and term adjusted amount of zero. The student will not use eligibility for the reported term.

**NOTE:** Schools cannot modify payment activity for award years that have already passed final reconciliation.

### Adjusted Term Award Payments

If students are not eligible for the full term amount, the reported payment must be adjusted. Students are generally not eligible for the full term amount because of their part-time enrollment or an adjustment to the need amount that subsequently affected payment or their limited eligibility for the term.

An adjustment reason code is required for each award type for which a school has entered an adjusted payment amount. If an incorrect adjustment reason code is not entered, the transaction for the term will reject. Refer to the Grant Roster - Adjustment Reason Code chart located on page 9.

If a recipient has more than one component (i.e., tuition and fees and Access, or tuition and fees and books and supplies) to their award and one component is affected by a payment adjustment and the other is not, enter the adjustment amount and adjustment reason code for the affected one only.



## Chapter 8 Cal Grant Program Payments

**\$0 Adjustment-** Several adjustment reasons require the school to enter \$0 for the adjustment amount. For example, the use of such adjustment reasons codes as LA (leave of absence), NP (no progress) and NS (no show) always require that the school enter an adjusted amount of \$0. WebGrants will not assume \$0 if the field is left blank. The payment transaction will reject.

If a recipient withdraws from school within the school's refund period and is charged only a portion of the standard tuition and fees, enter the partial charges in the adjusted term field. Indicate the reason code AF (attending full time), AT (attending three-quarter-time), or AH, (attending half time) depending on the recipient's attendance status. If only partial Access or books and supplies payments were disbursed, enter the amount in the appropriate adjusted term field and indicate the reason code AF(miscellaneous adjustment, full time), AT (miscellaneous adjustment, three-quarter-time), or AH (miscellaneous adjustment, half time), depending on the recipient's attendance status.

### Overawards

Schools are responsible to ensure that no Cal Grant recipients are overawarded. The total of the Cal Grant award and all other types of aid (e.g., federal, state, institution, and private) may not exceed the student's cost of attendance (budget) less the calculated Expected Family Contribution (EFC).

When learning of an overaward, schools must report the overaward through the Grant Record Changes screen on WebGrants or by completing the *Grant Record Change Form for Schools* (G-21).

Changes reported on the G-21 or on WebGrants are not considered "payment transactions" and do not appear on the Accept/Reject Transaction Report.

Upon the Commission's receipt of the change, term payments will be calculated by dividing the reduced award amount (reduced need rounded down to the nearest \$10 increment) by the number of terms.

If at least one payment is disbursed (but the Grant is not entirely disbursed) subsequent payment(s) are reduced so that the total term disbursements for the award year do not exceed the adjusted need. In addition, the school ensures that disbursements for any combination of terms do not exceed the proportional need during those terms.

### Overaward Example

A recipient's need and annual award are originally calculated to be \$3,000. The fall payment of \$1,000 (at a quarter payment period school) is made. The school determines that the student's revised Cal Grant eligibility, based on information received after the fall payment had been made, is actually \$1,800 and that an overaward exists. The school must reduce subsequent term payments in the following manner:

Fall	Winter	Spring	Total Award
\$1,000	\$400	\$400	= \$1,800

If a school makes at least one payment of the award and an overaward exists even without disbursement of subsequent payments, the school may not release subsequent payments. The school reports \$0 payment for those remaining term(s), along with an adjustment reason code of OT (outside source, three - quarter-time), OF(outside source full-time), or OH (outside source, half time).

No school repayment is required if all payments for the award year have been made, and the

## Chapter 8 Cal Grant Program Payments

school subsequently learns of an overaward. However, the school must report the overaward to the Commission.

**NOTE:** All overawards, regardless of the dollar amount, must be resolved and no tolerance amount is allowed.

### 8.9 Refunds

Schools are required to have a refund policy that includes the Commission's Cal Grant program. The refund policy must assure that no Cal Grant tuition and fee payments are issued in excess of the actual tuition and fees charged to the student, even if the student does not complete the term.

If school records indicate that *at least one* of the circumstances listed below existed at the time funds were disbursed to a recipient, the school is required to report an adjusted payment transaction to the Commission or, if the determination is made after the final reconciliation for the award year, schools must refund the ineligible amount that was disbursed *if*:

- The recipient was not maintaining Satisfactory Academic Progress as defined by the institution's financial aid Satisfactory Academic Progress policy;
- The recipient was enrolled in fewer units;
- The recipient was not enrolled in an eligible program;
- The recipient was required to be enrolled in an approved teaching credential or mandatory fifth-year program but was not enrolled in such a program;
- The institution knew the recipient was in default on a Title IV educational loan or owed a refund or repayment on a federal or state grant administered by the Commission
- The recipient had less remaining eligibility than required to justify payment;
- The recipient was not a legal California resident; *or*
- The recipient's need was not sufficient to justify payment.

If Cal Grant program funds are disbursed to a recipient's account or otherwise retained by the school for payment of school charges and the recipient withdraws during the term for which payment is made, the school will determine whether a refund is due the Commission based on the school's refund policy.

**Recipient Drops Units-** If the recipient is eligible for payment at the time of disbursement, but drops below the required number of units applicable to the payment received for a term, the recipient remains eligible for the entire payment or school charges, whichever is less, unless a refund is due based on the school's refund policy.

If a refund is due, schools are responsible for repaying the Commission by reporting an adjusted payment transaction.

**Schools initiate refunds-** If a determination is made after the Commission's final reconciliation, the school is responsible for initiating a refund to the Commission.

**Refund Guidelines-** Schools should use the following guidelines when making a refund to the Commission:

- If a determination is made after the final reconciliation for the award year, payment of refunds must be made to the Commission within thirty (30) days upon the identification of an ineligible payment.
- The Commission will be responsible for recovery of funds from the recipient if the school or the Commission discovers that a recipient has received funds for which the recipient was not eligible due to reasons other than those stated above.

The school will initiate any payments of refunds determined after the final reconciliation.

## Chapter 8 Cal Grant Program Payments

When making a payment, include the student's name(s), SSN(s), CSAC ID(s), and academic year(s) with the refund and mail to:

**California Student Aid Commission  
Fiscal & Administrative Services Branch  
P.O. Box 419026  
Rancho Cordova, CA 95741-9026**